RÉMY COINTREAU

30 November 2010

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

Strong growth in the first half-year

- **Current operating profit up 23.7%**
- **Operating margin: 18.9%**

Rémy Cointreau's turnover was €428.2 million for the first half of the financial year ended 30 September 2010, an increase of 18.3% (published), an organic increase of 11.3% and a current operating profit of €81.0 million, representing growth of 23.7% (up 8.4% organically). The operating margin rose to 18.9%, up strongly compared with the previous year (18.1%). This result was as a result of sales growth in all regions, confirming the outstanding work of the international distribution network. The Group continued to enjoy strong growth in Asia and demonstrated good resilience in Europe and the US.

Rémy Cointreau maintains its long-term value strategy, adhering to a consistent pricing policy in the individual markets improving its product mix while, at the same time, increasing marketing investment behind its key brands.

Key Figures

			% Change	
(€ millions)	**30.9.10**	**30.9.09**	**Gross**	**Organic**
• Turnover	**428,2**	361,9	+ 18,3	+ 11,3
of which Group brands	378,2	318,9	+ 18,6	+ 11,4
• Current operating profit	**81,0**	65,5	+ 23,7	+ 8,4
• Operating margin (%)	**18,9**	18,1		
• Net profit (exc. non-recurring items)	**47,5**	37,0		
• Net profit – Group share [2]	**14,1**	39,8		+ 28,4
• Net financial debt	**484,7**	526,2		N/A
• Net debt/EBITDA ratio	**2,78**			

[1] Organic change is calculated using constant exchange rates compared with the previous year.
[2] After taking into account the impairment of the asset of the Metaxa brand.

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Current Operating Profit by Division

(€m)	30.9.10	30.9.09	% Change Gross	% Change Organic
Cognac	**71.5**	49.1	+45.6	+29.5
Liqueurs & Spirits	**21.0**	25.8	(18.6)	(25.6)
Champagne	**(2.8)**	(3.5)	+20.0	+ 5.7
Sub-total Group brands	**89.7**	71.4	+25.6	+11.3
Partner brands	**0.8**	2.1	N/A	N/A
Holding company costs	**(9.5)**	(8.0)	(18.8)	(17.5)
Current operating profit	**81.0**	65.5	+23.7	+ 8.4

Cognac
Rémy Martin benefited fully from strong growth in Asia, particularly in the Chinese markets where superior qualities recorded the best growth. The US noted a market recovery in the second quarter. In Europe, strong performances resulted in double-digit growth, which was mainly attributable to Russia and Travel Retail. With good growth of 20.7% in organic turnover, current operating profit increased by a strong 29.5% organically, to €71.5 million. The operating margin was 28.8%, compared with 26.9% in 2009, driven by the mix/price effect, in spite of increased marketing investment during the period.

Liqueurs & Spirits – Sales across the whole division declined slightly by 5.5%. Current operating profit decreased by 25.6% (organically) to €21.0 million, principally due to the highly unfavourable impact of the decline in Metaxa's sales in Greece as well as increased investment in Cointreau. The current operating margin was 21.0%. Sales of the Cointreau, Mount Gay Rum and St Rémy brands rose over the period.

Champagne – Turnover for Piper-Heidsieck and Charles Heidsieck benefitted from renewed growth of 11.7%. With an improved current operating profit and operating margin, marketing investment was maintained. It should be noted that champagne sales peak in the third quarter.

Partner brands – The 10.0% organic growth in the turnover of Partner brands can be attributed, in particular, to the strong performance of the Scotch whisky brands distributed in the US.

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Consolidated Results

Turnover was €428.2 million, an increase of 18.3% (up 11.3% organically), compared with the same period the previous year.

Current operating profit increased by 23.7% (up 8.4% organically) to €81.0 million. **The current operating margin** was 18.9%, a marked improvement compared with the end of September 2009. It should be noted that the strong growth in gross profit enabled significant investment over the period as well as increasing the current operating profit.

Operating profit was €35.5 million after taking into account a €45 million gross impairment of intangible assets relating to the Metaxa brand. The net effect for the Group after tax was €33.5 million.

Net financial expenses were €18.8 million, including a €3.7 million expense relating to the refinancing carried out at the beginning of the period, which modified the debt maturity profile and secured financial resources on highly favourable terms until 2016.

The income tax charge was €4.8 million (representing an effective tax rate of 29.0%). The share in profit of associates was €2.1 million.

Group share of net profit, excluding non-recurring items, was €47.5 million, an increase of 28.4% compared with the previous year. Group share of net profit amounted to €14.1 million, including the provision recognised in relation to the Metaxa brand.

Net debt was €484.7 million, a decline compared with the level at March 2010 (€501.4 million), due to business growth and rigorous management of working capital requirements. The net banking ratio of debt/EBITDA was 2.78 at the end of September, a marked improvement compared with the end of March 2010.

Post-balance sheet events
On 15 November, Rémy Cointreau commenced a competitive bid process for the possible sale of its Champagne division.

Outlook

Rémy Cointreau confirms the success of its long-term value strategy and its intention to focus investment on the development of its international brands in the premium market segment. The Group will continue to strongly develop its activities in markets with significant potential, thus capitalising on its dynamic sales and distribution resources.

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The half-year financial report will be available on the www.remy-cointreau.com website from 11.00am on 30 November.